



THE TEXAS POLICY VOICE FOR HEALTHCARE AND BIOSCIENCE

September 8, 2020

The Honorable Eddie Lucio III
Chair, House Committee on Insurance
Texas House of Representatives
P.O. Box 2910
Austin, Texas 78768

RE: Interim Charge 1, HB 2536

Dear Chairman Lucio and Honorable Committee Members,

Texas Healthcare & Bioscience Institute (THBI) is the Texas public policy voice for the healthcare and bioscience industry. Our membership consists of biopharmaceutical companies, research institutions, medical device companies, economic development entities and service companies providing unparalleled networking and synergy to effectively address the public policy needs of Texas' growing life sciences community.

The Texas Life Sciences Industry is committed to expanding the boundaries of science by discovering, developing and delivering innovative and needed medications to patients. It is the patient that is the ultimate beneficiary of such advances. The membership of the Texas Healthcare and Bioscience Institute (THBI) is committed to creating an environment where such discoveries flourish and thrive.

Texas' bioscience industry continues to grow at a rapid pace, increasing its employment by 11.5 percent since 2016 to reach just over 100,000 jobs in 2018 across 6,263 business establishments. Texas is among the top tier of states not only in the size of its industry but in several key measures of the industry's innovation ecosystem, including: academic R&D expenditures at \$3.5 billion in 2018; NIH funding at nearly \$1.4 billion in 2019; in venture capital investments at \$2.3 billion from 2016-19; and in patent awards where 4,950 were awarded to state inventors since 2016.

As you are aware, our industry is working around the clock, racing for treatments and vaccines to stamp out the spread of COVID-19. At the same time, we are also helping lead the way, with groundbreaking, rapidly developing research that has allowed us to hold out collective hope for an end to this pandemic. To date there are more than 670 COVID-19 specific projects in the pipeline and 70% of those projects are coming from small companies; *biopharmaceutical innovators are leading the charge against this virus.*

THBI believes prescription drug price transparency policies, like House Bill 2536, should strike a balance between promoting transparency across the entire

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pharmaceutical supply chain through reporting of meaningful, non-proprietary data while preserving pharmaceutical innovation and Texas' strong business environment.

Beyond meaningful transparency, we encourage you to consider policies that would directly affect patients' out-of-pocket spending on medicines, such as ensuring manufacturer-provided rebates are passed on to patients at the pharmacy counter. We look forward to the continued partnership, willingness to collaborate and appreciate your leadership on this issue.

Interim Charge 1 also refers to insulin pricing specifically, and I have included, as part of this submission, information from the National Diabetes Volunteer Leadership Council (NDVLC) regarding options for insulin affordability and access for patients. As reflected in the attachment, NDVLC works with policymakers, advocates, and employers to encourage the adoption of policies that limit patients' likelihood of paying the full insulin list price at the pharmacy. Several states have also adopted policies that exempt insulin from a health plan's deductible and limit patient cost-sharing for insulin prescriptions.

In addition, we want to ensure that you are aware of the [Medicine Assistance Tool \(MAT\)](#), an online search engine for many of the patient assistance resources that the biopharmaceutical industry offers. MAT helps patients, caregivers and health care providers learn more about the resources that are available to them so that they can make more informed health care decisions when it comes to the cost of prescription medicines. MAT gives patients access to affordability programs that are currently available: Eli Lilly's *Lilly Diabetes Solution Center* and other insulin affordability resources, Novo Nordisk's *NovoCare* program, and Sanofi's *Sanofi Patient Connection* resources.

I extend my sincerest gratitude for the opportunity to provide feedback and look forward to partnering with you again during the 87th Legislative Session. Price transparency legislation should be meaningful for patients while informing legislators on costs in the supply chain. If you have any questions or need additional information, please contact me directly at 512-708-8424 or at tk@thbi.com.

Sincerely,

Tom Kowalski
President & CEO

Reducing Insulin Out-of-Pocket Costs

NDVLC is committed to [reducing insulin costs](#) in the U.S. It's encouraging to see policymakers paying attention to the problem, but policy changes take time and many people with diabetes struggle to afford insulin today.

Personal circumstances and insurance plans vary so there's no one-size-fits-all shortcut – but if you are uninsured, underinsured or in a high deductible plan these steps may help reduce your out-of-pocket cost for insulin and other diabetes medicine and supplies.

Check your coverage first

If you have insurance, check your plan's website or app for a cost estimator or call the member services number on the back of your insurance card. You might save hundreds of dollars by filling your prescriptions at a different retail or mail order pharmacy. Preferred pharmacy status can change during the year so know before you go.

Ask for the pharmacy's cash price

Cash prices vary so call several pharmacies – chains and independents – to compare. Even if you have insurance, the cash price could be much lower than your co-insurance or co-payment (see results of our experiment below) but your pharmacist might not realize it or in some states they might actually be prohibited from telling you if you don't ask. Cash payments may not apply to your deductible so decide which option is best for you.

Take advantage of discount programs

Checking prices at [GoodRx](#), [Blink Health](#) or [InsideRx](#) could shave hundreds of dollars from your pharmacy bill. Visit their websites or download the apps to access discount codes and coupons, and compare prices at nearby pharmacies. You may need to sign up in advance but there is no cost to use these services. If you have insurance remember to check whether cash payments count toward your deductible.

Enroll in patient assistance programs

Insulin manufacturers [Lilly](#), [MannKind](#), [Novo Nordisk](#) and [Sanofi](#) offer various patient assistance and discount programs. [AAACE](#) (the American Association of Clinical Endocrinologists) and [AADE](#) (the American Association of Diabetes Educators) assembled valuable guides to help connect people with diabetes and their health care providers to assistance programs, discount plans and other resources. Eligibility and application requirements vary but you could qualify for discounted insulin, other diabetes medications, supplies or other assistance even if you have insurance or earn a middle class income.

Use member warehouse pharmacies and prescription discount programs

If you are a Costco or Sam's Club member, their retail or mail order pharmacies may save you money. Many states allow non-members to use warehouse pharmacies too. You won't need a member card to enter the warehouse – just tell the door greeter you're a pharmacy customer.

For more information on NDVLC and the Access to Insulin Initiative, visit us at ndvlc.org For links to the resources listed here, visit <http://ndvlc.org/reduce-insulin-out-of-pocket-costs/>



Find a community health center or other low-cost health care provider

Search [here](#) or contact your state or local health agency to find a community health center nearby. These hospitals and clinics purchase discounted insulin and other medicines through a federal program so their pharmacies can dispense them at no or low cost to their patients. Wait time to see a provider can be long but community health organizations and facilities nationwide form a vital safety net for uninsured or underinsured people with diabetes.

Talk to your employer about insulin costs

NDVLC has partnered with JDRF to share with employers how health benefit plans can be structured to help people with diabetes afford the insulin they need by:

- Adding insulin to the preventive drug list, exempt from deductibles and cost-sharing
- Passing along discounts and rebates at the point of sale
- Keeping cost sharing reasonable and predictable throughout the year

If your employer offers health insurance, learn more about the [NDVLC Access to Insulin Employer Initiative](#). Visit [JDRF](#) and [DPAC's Affordable Insulin Project](#) for resources to help you understand your coverage and talk to your employer about insulin costs.

Talk to your diabetes care team if insulin is unaffordable

Help is available if you or a loved one struggle with high insulin costs. Often the best place to start is with your diabetes care team – whether it's an endocrinologist, family practitioner, physician assistant, nurse practitioner, diabetes educator, pharmacist or social worker.

They could help bridge short-term gaps with samples or temporarily transitioning to lower cost insulins. They also can help people with diabetes reduce longer term insulin costs – by navigating insurance formularies and coverage appeals; writing prescriptions to optimize insulin units available under 30- or 90-day dispensing limits and cost sharing; or documenting medical necessity to support patient assistance program enrollment.

Help Us Close the Gap

NDVLC compared costs for a vial of analog insulin using several of these steps. The result? GoodRx, InsideRx and Blink Health discounts were \$100-200 lower than local retail cash prices and about \$90 lower than the patient out-of-pocket share calculated in a sample high deductible health plan.

These wide gaps in out-of-pocket costs underscore why NDVLC is working with policymakers, employers and advocacy partners to reduce consumers' exposure to full list prices for insulin.

Access to insulin is too important to rely on shopping savvy or savings programs; it is an essential, life-sustaining component of diabetes care. NDVLC encourages employers who offer health coverage to include insulin on the preventive drug list with no patient cost-sharing. Alternatively, structure health plans to ensure that patient out-of-pocket pharmacy costs reflect the estimated 60-70% in rebates and discounts that insurers and PBMs negotiate with insulin manufacturers.

For more information on NDVLC and the Access to Insulin Initiative, visit us at ndvlc.org For links to the resources listed here, visit <http://ndvlc.org/reduce-insulin-out-of-pocket-costs/>